

2005 DRAFTING REQUEST

Bill

Received: 02/11/2005

Received By: **agary**

Wanted: **As time permits**

Identical to LRB:

For: **Stephen Freese (608) 266-7502**

By/Representing: **Kurt Simatic (aide)**

This file may be shown to any legislator: **NO**

Drafter: **agary**

May Contact:

Addl. Drafters:

Subject: **Transportation - motor vehicles**

Extra Copies: **PJH**

Submit via email: **YES**

Requester's email: **Rep.Freese@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Release of security interests in vehicles

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?							
/1	agary 03/01/2005	jdye 03/04/2005	rschluet 03/04/2005		lemery 03/04/2005	mbarman 03/30/2005	

FE Sent For:

<END>

2005 DRAFTING REQUEST

Bill

Received: **02/11/2005**

Received By: **agary**

Wanted: **As time permits**

Identical to LRB:

For: **Stephen Freese (608) 266-7502**

By/Representing: **Kurt Simatic (aide)**

This file may be shown to any legislator: **NO**

Drafter: **agary**

May Contact:

Addl. Drafters:

Subject: **Transportation - motor vehicles**

Extra Copies: **PJH**

Submit via email: **YES**

Requester's email: **Rep.Freese@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Release of security interests in vehicles

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?							
/1	agary 03/01/2005	jdye 03/04/2005	rschluet 03/04/2005	_____	lemery 03/04/2005		

FE Sent For:

<END>

2005 DRAFTING REQUEST

Bill

Received: **02/11/2005**

Received By: **agary**

Wanted: **As time permits**

Identical to LRB:

For: **Stephen Freese (608) 266-7502**

By/Representing: **Kurt Simatic (aide)**

This file may be shown to any legislator: **NO**

Drafter: **agary**

May Contact:

Addl. Drafters:

Subject: **Transportation - motor vehicles**

Extra Copies: **PJH**

Submit via email: **YES**

Requester's email: **Rep.Freese@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Release of security interests in vehicles

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	agary	1 3/4 jld	3 4 5				

FE Sent For:

<END>

Gary, Aaron

From: Simatic, Kurt
Sent: Tuesday, March 01, 2005 3:16 PM
To: Gary, Aaron
Subject: RE: drafting requests

let's go with option # 2

thanks for pointing this out.

-----Original Message-----

From: Gary, Aaron
Sent: Tuesday, March 01, 2005 10:00 AM
To: Simatic, Kurt
Subject: RE: drafting requests

Hi Kurt,

I am working on item 1. now. As I read the statute, it requires a lien release from the secured party within 10 days if the debtor demands it, or within one month even if no demand is ever made. I think that making the suggested change would not speed things up, but would mean that the secured party would never have to provide the lien release if the debtor did not ask for it. I would suggest two options for a change in language at the beginning of this subsection: (1) "Within one month, or within 10 days following written demand by the debtor, whichever occurs first, after there is no outstanding obligation" [this would clarify the 10 day time limit if a debtor makes a demand] OR (2) "Within 10 days after there is no outstanding obligation" [this would make the time limit 10 days regardless of whether a demand is made].

How would you like to proceed on this?

Thanks. Aaron

Aaron R. Gary
Legislative Attorney
Legislative Reference Bureau
608.261.6926 (voice)
608.264.6948 (fax)
aaron.gary@legis.state.wi.us

-----Original Message-----

From: Simatic, Kurt
Sent: Tuesday, February 08, 2005 2:55 PM
To: Gary, Aaron
Subject: drafting requests

Aaron:

Not sure if you would be the one to draft bills relating to auto dealers, but we have a request for 3 separate bills for the following:

1. In 342.22(1) eliminate the first 3 words "within one month". So the statute would begin "within 10 days".

This change is necessary because lien releases are being unnecessarily delayed and holding up business.

2. We request a change to section 422.207(1) that would allow a creditor who discovers that a customer has failed to insure collateral or leased goods against property damage and loss as required by the credit sale or lease agreement to obtain the insurance, without being first required to give the customer notice and another opportunity to insure the vehicle.

3. Frequently, dealers have signed credit sales contracts with customers with the intent of assigning the contract to a lender, only to have the lender reject the contract because it has discovered a false statement on the credit application. We are requesting a change to Wis Stat. 425.103, which would include a materially false statement in the customer's credit application as part of the "default" definition. We also request a change in Wis.Stat.425.105 removing the 15 day right to cure in these situations.

Let me know if you have any questions.

Thanks.

Kurt Simatic

Legislative Assistant

Speaker Pro Tempore Stephen Freese

115 West State Capitol

(608) 266-7502

(888) 534-0051

kurt.simatic@legis.state.wi.us

2005 BILL

1 AN ACT ...; relating to: the release of security interests in vehicles.

Analysis by the Legislative Reference Bureau

Under current law, a security interest in a vehicle must generally be noted on the vehicle's certificate of title. When there is no outstanding obligation or commitment under a security agreement providing the security interest in the vehicle, the secured party must execute and deliver to the vehicle owner within one month, or within ten days following written demand by the owner, a release of the security interest in the manner prescribed by the Department of Transportation (DOT). The owner must then provide the vehicle certificate of title and the release to DOT, which issues a new certificate of title without the notation of a security interest in the vehicle.

This bill requires the secured party to execute and deliver a release of the security interest to the vehicle owner within ten days after there is no outstanding obligation or commitment under the security agreement providing the security interest in the vehicle, regardless of whether the owner has made a written demand for the release.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 342.22 (1) of the statutes is amended to read:

BILL

SECTION 1

342.22 (1) Within one month or within 10 days following written demand by the debtor after there is no outstanding obligation and no commitment to make advances, incur obligations, or otherwise give value, secured by the security interest in a vehicle under any security agreement between the owner and the secured party, the secured party shall execute and deliver to the owner, as the department prescribes, a release of the security interest in the form and manner prescribed by the department and a notice to the owner stating in no less than 10-point boldface type the owner's obligation under sub. (2). If the secured party fails to execute and deliver the release and notice of the owner's obligation as required by this subsection, the secured party is liable to the owner for \$25 and for any loss caused to the owner by the failure.

History: 1977 c. 29 s. 1654 (7) (a); 1977 c. 217, 447; 1985 a. 202; 1997 a. 27; 1999 a. 9.

SECTION 2. Initial applicability.

(1) This act first applies to security agreements entered into on the effective date of this subsection.

(END)

Barman, Mike

From: Richard, Rob
Sent: Wednesday, March 30, 2005 11:55 AM
To: LRB.Legal
Subject: Draft review: LRB 05-2078/1 Topic: Release of security interests in vehicles

It has been requested by <Richard, Rob> that the following draft be jacketed for the ASSEMBLY:

Draft review: LRB 05-2078/1 Topic: Release of security interests in vehicles